

# **EXHIBIT “4”**

**AFFIDAVIT**

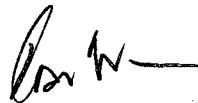
**STATE OF ALABAMA** )

**COUNTY OF MONTGOMERY** )

**Named of Insured:** Stinnett Group, LLC

**Policy Numbers:** 974617-38166390-04

I, Todd Worley, being duly sworn, say that I am Assistant Manager Montgomery Claims Branch of Owners Insurance Company and that I have compared the attached copy of the Owners Insurance Company Tailored Protection Insurance Policy, Policy No.: 974617-38166390-04 listed above and the endorsements thereto with the original records of the policy of insurance and endorsements as contained in the company's files and that the same is a true and exact recital of all the provisions in the said original and endorsements thereto for the policy term 09-13-04 to 09-13-05.



TODD WORLEY

Sworn to and subscribed before me this the 18<sup>th</sup> day of May, 2007.



NOTARY PUBLIC

MY COMMISSION EXPIRES: \_\_\_\_\_

NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: May 28, 2008  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

**Owners**

Page 1

55039 (11-87)

Issued 08-20-2004

## INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

## TAILORED PROTECTION POLICY DECLARATIONS

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC

17-0877-00

MKT TERR 040

(334) 347-2631

POLICY NUMBER 974617-38166390-04

INSURED STINNETT GROUP LLC

ADDRESS 301 EAST GRUBBS STREET

ENTERPRISE, AL 36330-2612

Company  
Bill

## POLICY TERM

12:01 a.m. 12:01 a.m.  
09-13-2004<sup>to</sup> 09-13-2005

## COMMON POLICY INFORMATION

BUSINESS DESCRIPTION: Heating &amp; Cooling

ENTITY: Corporation

PROGRAM: Premier Contractors

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S).

PREMIUM

THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COMMERCIAL PROPERTY COVERAGE

\$3,077.00

COMMERCIAL GENERAL LIABILITY COVERAGE

7,004.00

COMMERCIAL INLAND MARINE COVERAGE

1,411.00

TOTAL

\$11,492.00

FORMS THAT APPLY TO ALL COVERAGE PART SHOWN ABOVE (EXCEPT GARAGE LIABILITY, DEALER'S  
 BLANKET, COMMERCIAL AUTOMOBILE, IF APPLICABLE)  
 55003 (01-87) IL0017 (11-85) 55056 (07-87)

A 9% CUMULATIVE MULTI-POLICY DISCOUNT APPLIES. SUPPORTING POLICIES ARE MARKED WITH  
 AN (X): COMM UMB(X) COMM AUTO(X) WC( ) LIFE(X) PERSONAL( ) FARM( )

Countersigned By: \_\_\_\_\_

I certify that this policy was assembled from  
 available records as a representation of coverage  
 that was in effect for the policy period shown.

Date

7-20-06

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**Owners**

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55198 (01-00)

Issued 08-20-2004

INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

**TAILORED PROTECTION POLICY DECLARATIONS**

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC  
17-0877-00 MKT TERR 040 (334) 347-2631

**POLICY NUMBER 974617-38166390-04**

INSURED STINNETT GROUP LLC

ADDRESS 301 EAST GRUBBS STREET  
ENTERPRISE, AL 36330-2612

Company  
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
09-13-2004	to 09-13-2005

**PROPERTY PLUS COVERAGE  
PACKAGE DECLARATION**

The coverages indicated below apply separately to the location(s) and sublocation(s) designated in the Commercial Property Coverage Declarations. The corresponding limit of insurance for any one coverage applies to all covered loss:

- a. at the location designated in the Commercial Property Coverage Declarations, or
- b. away from the location designated in the Commercial Property Coverage Declarations

regardless of the number of locations or sublocations designated in the Commercial Property Coverage Declarations.

\*\* The deductible (DED) which applies to each coverage indicated below is the same as the deductible which applies to each location and sub-location shown on the Commercial Property Coverage Declarations, unless otherwise indicated:

COVERAGE	LIMIT	DED
ARSON REWARD	\$5,000	NONE
BUSINESS INCOME & EXTRA EXPENSE	\$30,000	NONE
BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS	\$5,000	**
BUSINESS PERSONAL PROPERTY - EXPANDED COVERAGE	UP TO 1,000 FEET	**
DEBRIS REMOVAL	\$25,000	NONE
FIRE EXTINGUISHER RECHARGE	\$2,500	NONE
GLASS BREAKAGE	\$1,000 PER PANE	**
	\$5,000 PER OCCURRENCE	
INVENTORY	UP TO 25% OF BPP LIMIT	NONE
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	\$500,000 FOR 90 DAYS	**
NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY	\$500,000 FOR 90 DAYS	**
OFF-PREMISES UTILITY SERVICE CHARGE FAILURE	\$5,000	**
ORDINANCE OR LAW	\$25,000	**
OUTDOOR PROPERTY	\$5,000	**
TREES, SHRUBS OR PLANTS	\$500 PER ITEM	**
PERSONAL EFFECTS AND PROPERTY OF OTHERS	\$15,000	**
POLLUTANT CLEAN UP AND REMOVAL	\$25,000	NONE
PROPERTY IN TRANSIT	\$25,000	**

Continued on next page

**Owners**

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55198 (01-00)

Issued 08-20-2004

INSURANCE COMPANY  
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**TAILORED PROTECTION POLICY DECLARATIONS**

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC  
17-0877-00 MKT TERR 040 (334) 347-2631  
INSURED STINNETT GROUP LLC

**POLICY NUMBER 974617-38166390-04**

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POLICY TERM	
12:01 a.m.	12:01 a.m.
09-13-2004	to 09-13-2005

**PROPERTY PLUS COVERAGE  
PACKAGE DECLARATION**

COVERAGE	LIMIT	DED
PROPERTY OFF PREMISES	\$25,000	**
REFRIGERATED PRODUCTS	\$5,000	**
REKEYING OF LOCKS	\$1,000	NONE
WATER BACK-UP FROM SEWERS OR DRAINS	\$10,000	**
ACCOUNTS RECEIVABLE	\$30,000	**
SIGNS (ATTACHED AND DETACHED)	\$5,000 PER SIGN	**
ELECTRONIC DATA PROCESSING EQUIPMENT	\$10,000	**
SALESPERSON'S SAMPLES	\$10,000	**
VALUABLE PAPERS	\$30,000	**
EMPLOYEE DISHONESTY	\$10,000	**
FORGERY AND ALTERATION	\$10,000	**
MONEY AND SECURITIES	\$10,000 ON PREMISES	**
	\$10,000 OFF PREMISES	
FIRE DEPARTMENT SERVICE CHARGE	\$2,500	NONE

**FORMS THAT APPLY TO THIS COVERAGE PART:**

54182 (06-00)	54205 (06-00)	54188 (06-00)	54199 (06-00)	54198 (06-00)
54190 (06-00)	54223 (06-00)	54184 (06-00)	54185 (06-00)	54206 (06-00)
54208 (06-00)	54191 (06-00)	54195 (06-00)	54197 (06-00)	54192 (06-00)
54196 (06-00)	54189 (06-00)	54183 (06-00)	54186 (06-00)	54218 (06-00)
54207 (06-00)	54217 (06-00)	54216 (06-00)	54214 (06-00)	54221 (06-00)
54220 (06-00)	54219 (06-00)	54193 (06-00)		

**Owners**

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54104 (07-87)

Issued 08-20-2004

INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

**TAILORED PROTECTION POLICY DECLARATIONS**

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC  
17-0877-00 MKT TERR 040 (334) 347-2631

**POLICY NUMBER 974617-38166390-04**

INSURED STINNETT GROUP LLC

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ENTERPRISE, AL 36330-2612

Company  
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
09-13-2004 <sup>to</sup> 09-13-2005	

# **COMMERCIAL PROPERTY COVERAGE**

## **COVERAGES PROVIDED**

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

## **LOCATION 001**

**ADDITIONAL FORMS THIS LOCATION:** None

**LOC 001 BLDG 001** 423 Glover Ave  
Enterprise, AL 36330-2022

**OCCUPIED AS:** Office

**COVERAGE:** Building

Limit of Insurance \$116,400

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$250	0.217	\$253.00
Basic Group II	80%	250	0.152	177.00
Special	80%	250	0.091	106.00
Theft	80%	250		Included

## **OPTIONAL COVERAGE:**

Replacement Cost

Inflation Guard Factor  
Building  
1.019

CAUSE OF LOSS	LIMITS	DEDUCTIBLE	RATE	PREMIUM
Property Plus Coverage Package	See Dec Page	\$250		\$128.00

**COVERAGE:** Personal Prop.

Limit of Insurance \$65,790

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$250	0.315	\$207.00
Basic Group II	80%	250	0.121	80.00
Special	80%	250	0.082	54.00
Special Including Theft	80%	250	0.129	85.00

## **OPTIONAL COVERAGE:**

Replacement Cost

Inflation Guard Factor  
Personal Property  
1.023

**Owners**

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54104 (07-87)

Issued 08-20-2004

INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

**TAILORED PROTECTION POLICY DECLARATIONS**

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC  
17-0877-00 MKT TERR 040

(334) 347-2631

**POLICY NUMBER 974617-38166390-04**

INSURED STINNETT GROUP LLC

ADDRESS 301 EAST GRUBBS STREET

ENTERPRISE, AL 36330-2612

Company  
Bill

**POLICY TERM**

12:01 a.m. 12:01 a.m.  
09-13-2004 to 09-13-2005

**COMMERCIAL PROPERTY COVERAGE**

**ADDITIONAL FORMS THIS BUILDING:** CP1218 (10-91) IL0003 (11-85) IL0190 (03-97)  
CP0145 (12-00) 59351 (02-03) CP0090 (07-88) CP0010 (10-91) CP1030 (10-91)

**SECURED INTERESTED PARTIES:** See Attached Schedule

**RATING INFORMATION**

Territory: 160  
Program: Premier Contractors  
Class Rate - Building: 0.271

County: Coffee  
Construction: Non-Comb  
PC: 05 Class Code: 2702  
Class Rate - Contents: 0.393

**FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59351**

**EXCLUDED**

**LOCATION 001 PREMIUM \$1,090.00**

**LOCATION 002**

**ADDITIONAL FORMS THIS LOCATION:** None

**LOC 002 BLDG 001 301 (209) East Grubbs Street**  
Enterprise, AL 36330

**OCCUPIED AS:** Storage

**COVERAGE:** Building

**Limit of Insurance \$367,500**

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$250	0.189	\$695.00
Basic Group II	80%	250	0.152	559.00
Special	80%	250	0.091	334.00
Theft	80%	250		Included

**OPTIONAL COVERAGE:**

Replacement Cost

Inflation Guard Factor  
Building  
1.019

**COVERAGE:** Personal Prop.

**Limit of Insurance \$65,790**

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$250	0.274	\$180.00
Basic Group II	80%	250	0.121	80.00
Special	80%	250	0.082	54.00
Special Including Theft	80%	250	0.129	85.00

**Owners**

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54104 (07-87)

Issued 08-20-2004

INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC  
17-0877-00 MKT TERR 040 (334) 347-2631

POLICY NUMBER 974617-38166390-04

INSURED STINNETT GROUP LLC

ADDRESS 301 EAST GRUBBS STREET  
ENTERPRISE, AL 36330-2612

Company  
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
09-13-2004 <sup>to</sup>	09-13-2005

**COMMERCIAL PROPERTY COVERAGE****OPTIONAL COVERAGE:**

Replacement Cost

Inflation Guard Factor  
Personal Property  
1.023

ADDITIONAL FORMS THIS BUILDING: IL0003 (11-85) IL0190 (03-97) CP0145 (12-00)  
59351 (02-03) CP0090 (07-88) CP0010 (10-91) CP1030 (10-91)

**SECURED INTERESTED PARTIES:** See Attached Schedule**RATING INFORMATION**

Territory: 160  
Program: Premier Contractors  
Class Rate - Building: 0.271

County: Coffee  
Construction: Non-Comb  
PC: 03 Class Code: 2702  
Class Rate - Contents: 0.393

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59351

EXCLUDED

LOCATION 002 PREMIUM \$1,987.00

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**Owners**

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59187 (07-87)

Issued 08-20-2004

INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

**TAILORED PROTECTION POLICY DECLARATIONS**

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC  
17-0877-00 MKT TERR 040 (334) 347-2631  
INSURED STINNETT GROUP LLC

**POLICY NUMBER 974617-38166390-04**

ADDRESS 301 EAST GRUBBS STREET  
ENTERPRISE, AL 36330-2612

Company  
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
09-13-2004	to 09-13-2005

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**SECURED INTERESTED PARTIES AND/OR ADDITIONAL INTERESTED PARTIES**

Applies to Loc/Bldg(s):

001/001  
NEWCOURT LEASING CORP  
125 TOWNPARK DR STE 200  
KENNESAW, GA 30144  
Interest: Loss Payable

Applies to Loc/Bldg(s):

001/001, 002/001  
THE CITIZENS BANK  
P O BOX 310900  
ENTERPRISE, AL 36331  
Interest: Loss Payable

**Owners**

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55040 (11/87)

Issued 08-20-2004

INSURANCE COMPANY

TAILORED PROTECTION POLICY DECLARATIONS

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC

17-0877-00

MKT TERR 040

(334) 347-2631

POLICY NUMBER 974617-38166390-04

INSURED STINNETT GROUP LLC

ADDRESS 301 EAST GRUBBS STREET

ENTERPRISE, AL 36330-2612

Company  
Bill

POLICY TERM

12:01 a.m. 12:01 a.m.

09-13-2004 to 09-13-2005

## COMMERCIAL GENERAL LIABILITY COVERAGE

## LIMITS OF INSURANCE

Bodily Injury General Aggregate Limit	\$1,000,000
Property Damage General Aggregate Limit	1,000,000
Bodily Injury Products/Completed Operations Aggregate Limit	1,000,000
Property Damage Products/Completed Operations Aggregate Limit	\$1,000,000
Personal And Advertising Injury Limit	1,000,000
Bodily Injury Each Occurrence Limit	1,000,000
Property Damage Each Occurrence Limit	1,000,000
Fire Damage Limit	50,000 Any One Fire
Medical Expense Limit	5,000 Any One Person
Bodily Injury Hired Auto & Non-Owned Auto Limit	1,000,000 Each Occurrence
Property Damage Hired Auto & Non-Owned Auto Limit	1,000,000 Each Occurrence

Twice the "General Aggregate Limit", shown above, is provided at no additional charge for each 12 month period in accordance with form 55050.

AUDIT TYPE: Annual Audit

FORMS THAT APPLY TO LIABILITY: 59351 (02-03) 55118 (08-91) 55146 (07-96)  
 55068 (08-89) IL0021 (11-85) 55029 (07-87) CG0001 (11-88) CG0108 (11-85)  
 IL0017 (11-85) 55064 (07-87) CL175 (02-86) 55069 (01-88) CG2147 (09-89)  
 55137 (06-92) 55051 (07-87) 55183 (11-95) 55202 (05-00) 55145 (12-01)  
 55050 (06-01) 55168 (11-95) 55028 (01-03)

## LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

LOC 001 BLDG 001 423 Glover Ave  
 Enterprise, AL 36330-2022

TERRITORY: 009 COUNTY: Coffee

Classification	Subline	Premium Basis	Rates	Premium
CODE 21585				
Premier Contractors Class	Prem/Op	Total Costs	Each 1000	\$115.00
Sub-Contracted Work	Prod/Comp Op	117,760	.975	\$286.00
		117,760	2.432	
CODE 24001				
Premier Contractors Class	Auto	Flat Charge		\$67.00
Hired Auto & Non-Owned Auto Liability				
CODE 25647				
Premier Contractors Class	Prem/Op	Payroll	Each 1000	\$4,978.00
Heating/Air Conditioning	Prod/Comp Op	158,756	31.355	\$1,458.00
Installation/Service/Repair		158,756	9.185	
No Lpg				

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**Owners**

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55040 (11/87)

Issued 08-20-2004

## INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

## TAILORED PROTECTION POLICY DECLARATIONS

Reissue Effective 09-13-2004

AGENCY WHITTAKER-WARREN INSURANCE INC  
17-0877-00 MKT TERR 040

(334) 347-2631

POLICY NUMBER 974617-38166390-04

INSURED STINNETT GROUP LLC

ADDRESS 301 EAST GRUBBS STREET

ENTERPRISE, AL 36330-2612

Company  
Bill

## POLICY TERM

12:01 a.m. 12:01 a.m.  
09-13-2004<sup>to</sup> 09-13-2005

## COMMERCIAL GENERAL LIABILITY COVERAGE

CODE 49950

## Additional Interests

Lessor Of Leased Equipment  
Newcourt Leasing

Prem/Op

50,000

2.000

\$100.00

Managers/Lessors Of Premises  
Dale Stinett

Prem/Op

1,000

\$0.00

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59351

EXCLUDED

LOCATION 001 PREMIUM

\$7,004.00

**Owners**

Page 1

16198 (07-87)

Issued 08-20-2004

## INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

## TAILORED PROTECTION POLICY DECLARATIONS

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AGENCY WHITTAKER-WARREN INSURANCE INC

17-0877-00

MKT TERR 040

(334) 347-2631

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ENTERPRISE, AL 36330-2612

Company  
Bill

## POLICY TERM

12:01 a.m. 12:01 a.m.

09-13-2004<sup>to</sup> 09-13-2005

## COMMERCIAL INLAND MARINE COVERAGE

## COVERAGES PROVIDED

INSURANCE APPLIES TO COVERED PROPERTY FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

FORMS THAT APPLY TO INLAND MARINE: 16082 (08-93) 16079 (05-86) 16242 (05-95)  
16080 (08-86) 59351 (02-03)

## LOCATION OF PREMISES

LOC 001 BLDG 001 423 Glover Ave  
Enterprise, AL 36330-2022

COVERAGE	LIMIT	DED	RATE	PREMIUM
OTHER 8527 Communication Devices	\$8,300	\$250	25.744	\$206.00

## COVERAGE: Tools and Equipment (TE)- Actual Cash Value

Insured's Equipment - Special Form	LIMIT	DEDUCTIBLE	RATE	PREMIUM
Unscheduled items up to \$1000 each	\$5,000	\$250	variable	\$138.00

## ADDITIONAL FORMS FOR THIS COVERAGE: 16010 (10-97)

## RATING INFORMATION

Territory: 016

County: Coffee

Program: Premier Contractors

TOTAL FOR THIS COVERAGE: \$138.00

## COVERAGE: Installation

Installation Floater - Special Form	LIMIT	DEDUCTIBLE	RATE	PREMIUM
Description of Property:				
Aggregate Limit for Property at All Installation Locations	\$50,000		2.133	\$1,067.00
Property at Any One Installation Location	\$50,000	\$250	Included	Included
Property While in Transit	\$50,000	\$250	Included	Included

**Owners**

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16198 (07-87)

Issued 08-20-2004

## INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

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## POLICY TERM

12:01 a.m. 12:01 a.m.  
09-13-2004<sup>to</sup> 09-13-2005

## COMMERCIAL INLAND MARINE COVERAGE

ADDITIONAL FORMS FOR THIS COVERAGE: 16082 (12-02)

## RATING INFORMATION

Territory: 016

County: Coffee

Program: Premier Contractors

TOTAL FOR THIS COVERAGE:

\$1,067.00

FOREIGN TERRORISM - CERTIFIED ACTS

SEE FORM 59351

EXCLUDED

LOCATION 001 PREMIUM

\$1,411.00

A single deductible applies per claim. If more than one item is involved in a claim, the single highest applicable deductible amount is used.

TOOLS AND EQUIPMENT SUBTOTAL

\$138.00

TOOLS AND EQUIPMENT BALANCE TO MINIMUM

\$0.00

**Owners**

Page 1

55056 (07-87)

Issued 08-20-2004

## INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

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17-0877-00

MKT TERR 040

(334) 347-2631

POLICY NUMBER 974617-38166390-04

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## POLICY TERM

12:01 a.m. 12:01 a.m.  
09-13-2004 to 09-13-2005

## SUPPLEMENTAL DECLARATIONS

LOSS PAYEE APP TO 5 8600 MOBILE RADIOS (\$3395)

E F JOHNSON

16326 SE 30TH PL STE 100

BELLEVUE WA 98007

LEASE #0011057777001

## MISCELLANEOUS PROPERTY

BASE STATION MD# M02 UCH6RR6AN SN 419AVL0117	700
MOBILE RADIO MDLH02 UCH6RR8BN SN 340AWJ4867	400
MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWN187	400
MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWJ3168	400
MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWJ1335	400
MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWN669	400
MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWJ1358	400
MOBILE RADIO MD# H36 UAH6RR5ANSN 831TBN3TB3	100
MOBILE RADIO MD# H36 UAH6RR5AN SN 831TBN3TRC	100
VICON 8000 STANDARD PLASMA CUTTING SYSTEM	5,000

55168 (11-95)  
COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

### **SCHEDULE**

1. Designation of Premises (Part Leased to You):
2. Name of Person or Organization (Additional Insured):
3. Additional Premium:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf

of the person or organization shown in the Schedule.

2. The following is added to **LIMITS OF INSURANCE** (Section III):
  8. The limits of liability for the additional insured are those specified in the written contract or agreement between the Insured and the manager or lessor of premises, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the limits of insurance shown in the Declarations.

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55183 (11-95)  
COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED - LESSOR OF LEASED EQUIPMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

### **SCHEDULE**

**Name of Person or Organization:**

NEWCOURT LEASING CORP  
COLDWELL BANKER AON HOME WARRANTY SERVICES INC

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person(s) or organization(s), subject to the following additional exclusions:  
  
This insurance does not apply:
  1. To any occurrence which takes place after the equipment lease expires;
2. To bodily injury or property damage arising out of the sole negligence of the person or organization shown in the Schedule.
2. The following is added to **LIMITS OF INSURANCE** (Section III):
  8. The limits of liability for the additional insured are those specified in the written contract or agreement between the Insured and the lessor, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the limits of insurance shown in the Declarations.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED EXCLUSION - PRODUCTS-COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM.

### **SCHEDULE**

**Name of Person or Organization (Additional Insured):**  
AMERICAN HOME SHIELD CORPORATION  
OLD REPUBLIC HOME PROTECTION  
BOSTIC CONSTRUCTION INC

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. Under Section II - WHO IS AN INSURED, the following is added:

The person or organization shown in the above Schedule is an Additional Insured, but only with respect to liability arising out of "your work" for that insured by or for you.

2. Under Section I, COVERAGES, 2. Exclusions, the following exclusion is added:

The insurance provided herein to the Additional Insured does not apply to the "products-completed operations hazard".

3. Under Section III - LIMITS OF INSURANCE, the following is added:

The limits of liability for the Additional Insured are those specified in the written contract or agreement between the insured and the owner, lessee or contractor, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the limits of insurance shown in the Declarations.

4. Under Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance, the following is added:

This insurance is primary for the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that person or organization by or for you. Other insurance available to the person or organization shown in the Schedule will apply as excess insurance and not contribute as primary insurance to the insurance provided by this endorsement.

COINSURANCE CONTRACT

16079 (5-86)

MISCELLANEOUS PROPERTY FLOATER

COVERAGE

PROPERTY COVERED

We cover the property described which is:

1. owned by you; or
2. owned by others in your care, custody or control.

Description of  
Property

Amount of  
Insurance

SEE SUPPLEMENTAL DEC

\$  
\$  
\$  
\$

DEDUCTIBLE

From the amount of each adjusted claim, we will deduct the amount stated below or in the Declarations:

Amount of Deductible \$ \$250

The deductible shall not apply to loss or damage from these perils: fire; lightning; explosion; windstorm; cyclone; tornado or hail; riot, riot attending a strike of civil commotion; aircraft; smoke; earthquake; collapse of bridges or culverts; collision, derailment or overturn of the vehicle on which the property insured is being transported; stranding, sinking, burning or collision of water vessels.

PERILS WE INSURE AGAINST

We cover risk of direct physical loss or damages, not excluded in this form, to the property covered.

EXCLUSIONS

We do not cover under this form loss of damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:

1. Seizure or destruction of property by order of governmental authority. But we will pay for such acts of destruction taken at the time of a fire to prevent its spread if the fire would be covered under this form.
2. Nuclear action meaning nuclear reaction, radiation, radioactive contamination, discharge of a nuclear weapon, however caused and whether controlled or uncontrolled, or any consequence of any of these. We will cover direct loss resulting from fire if caused by any of these, if fire is covered elsewhere in this form.
3. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
4. Wear and tear; inherent vice; hidden or latent defect; gradual deterioration; mechanical break down; insects, vermin, rodents; depreciation; or by processing or any work on the property. We will cover direct loss from fire or explosion which is caused by any of these.
5. Corrosion, rusting, dampness of atmosphere, or extremes of of temperature.

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6. Misappropriation, secretion, conversion, infidelity or any dishonest act by you or others or the employees or agents of either to whom the covered property may be entrusted. This exclusion does not apply to carriers for hire.
7. Artificially generated electrical currents to electrical apparatus. We will cover loss of damage caused directly by ensuing fire or explosion.
8. Any process of refinishing, renovating or repairing.
9. Fouling or explosion of firearms.
10. Breakage, marring, scratching, tearing or denting, unless caused by: fire or lightning; aircraft; theft and/or attempted theft; cyclone, tornado or windstorm; earthquake; flood; explosion; malicious damage or collision, derailment or overturn of a transporting conveyance.
11. Theft of the money or merchandise of vending machines.

#### ADDITIONAL CONDITIONS

##### 1. Coinsurance Clause

We will pay no more than the amount of loss or damage multiplied by the ratio of the amount of insurance on the property covered to its actual cash value at the time of loss.

##### 2. Territory

This policy applies only within the continental United States and Canada.

**COINSURANCE CONTRACT**

16082 (8-93)

**INSTALLATION FORM**

Attached to and forming part of Policy Number \_\_\_\_\_

Date \_\_\_\_\_

**COVERED PROPERTY**

We cover the following property:

1. owned by you; or
2. for which you are legally liable:

Description of Property

Coverage applies to the property:

1. while it is in transit;
2. after arrival on the premises of installation;
3. while waiting for and during installation; and
4. until it is completely installed and accepted by the purchaser or until your interest in it ceases, whichever occurs first.

We do not cover tools or equipment owned or used by an insured person.

**LIMITS OF LIABILITY**

We shall not be liable for more than:

1. \$ \$50,000 on property at any one installation location.
2. \$ \$50,000 on property at all installation locations.
3. \$ \$50,000 on property while in transit.

**PERILS WE INSURE AGAINST**

We cover risk of direct physical loss or damage not excluded in this form to the covered property.

**DEDUCTIBLE**

From the amount of each adjusted claim, the sum of:

1. \$            shall be deducted when the loss or damage results from lifting, hoisting, rigging or rigging operations;  
and
2. \$ \$250 shall be deducted when the loss or damage results from any other perils covered under the policy.

## EXCLUSIONS

We do not cover loss or damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:

1. Seizure or destruction of property by order of governmental authority. But we will pay for such acts of destruction taken at the time of a fire to prevent its spread if the fire would otherwise be covered under this form.
2. Nuclear reaction, radiation, radioactive contamination, discharge of a nuclear weapon, however caused and whether controlled or uncontrolled, or any consequence of any of these. We will cover direct loss resulting from fire if caused by any of these, if fire is covered elsewhere in this form.
3. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
4. Wear and tear; inherent vice; hidden or latent defect; gradual deterioration; mechanical break down; insects, vermin, rodents; corrosion, rust; dampness or extreme temperature.
5. Artificially generated electrical currents to electrical appliances and devices including wiring. We will pay if fire ensues but only for the loss or damage caused directly by such fire.
6. Error, omission or deficiency in design, specifications, workmanship or materials. We also do not cover direct or indirect expense resulting from any of these.

## ADDITIONAL CONDITIONS

### 1. COINSURANCE CLAUSE

We will pay no more than the amount of loss or damage multiplied by the ratio of the amount of insurance on the property to its actual cash value at the time of loss.

### 2. TERRITORY

This coverage applies only in the Continental United States and Canada.

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

## SECTION I - COVERAGES

### COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payments of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

#### 2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of

liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
  - (2) That the insured would have in the absence of the contract or agreement.
- c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

- d. Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- e. "Bodily injury" to:
  - (1) An employee of the insured arising out of and in the course of employment by the insured; or
  - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

- f. (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
    - (i) if the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or

- (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraphs (a) and (d) (i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing from, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- g. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading and unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
  - (2) A watercraft you do not own that is:
    - (a) Less than 26 feet long; and
    - (b) Not being used to carry persons or property for a charge;
  - (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
  - (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
  - (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment" (Section V.8.).
- h. "Bodily injury" or "property damage" arising out of:
- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
  - (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.
- i. "Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.
- j. "Property damage" to:
- (1) Property you own, rent or occupy;



(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. "Property damage" to "your product" arising out of it or any part of it.

l. "Property damage" to "your work" arising out of it or any part of it and including in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. "Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises rented to you. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (SECTION III).

## **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement.**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this coverage part applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate

any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

**b. This insurance applies to:**

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

**2. Exclusions.**

This insurance does not apply to:

**a. "Personal injury" or "advertising injury":**

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or

- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**b. "Advertising injury" arising out of:**

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

**COVERAGE C. MEDICAL PAYMENTS**

**1. Insuring Agreement.**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:**

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of

our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

## 2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an employee of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefit law or similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

## SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on the part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

## SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and

their spouses are also insureds, but only with respect to the conduct of your business.

- c. An organization other than a partnership or joint venture, you are insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, no employee is an insured for:

- (1) "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury" or "personal injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or

- (2) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or

- (3) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).

- b. Any person (other than your employee), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-employee of the person driving the equipment; or

- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

- 4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

### SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds,
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5, above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises rented to you arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy.

Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

**c. You and any other involved insured must:**

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit"
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.**

**3. Legal Action Against Us.**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or**
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.**

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial;

but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**4. Other Insurance.**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverage A or B of this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverage A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.



When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit.**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater

than the earned premium, we will return the excess to the first Named Insured.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations.**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation of Insureds.**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

(b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and

## SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:

- a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. Oral or written publication of material that violates a person's right of privacy;
- c. Misappropriation of advertising ideas or style of doing business; or
- d. Infringement of copyright, title or slogan.

2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any one time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:

(1) The injury or damage arises out of:

- (a) Goods or products made or sold by you in the territory described in a. above; or

(2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

6. "Insured contract" means:

- a. A lease of premises;
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of



another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
    - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - c. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in b. above and supervisory, inspection or engineering services; or
  - d. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
7. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

8. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise and lower workers;
  - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing;
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise and lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

9. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

10. "Personal injury" means, other than "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

11. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

c. This hazard does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
- (3) Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.

12. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the "occurrence" that caused it.
13. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

14. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (1) You;
  - (2) Others trading under your name; or

- (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

15. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **ALABAMA AND LOUISIANA CHANGES - WHO IS AN INSURED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART LIQUOR LIABILITY COVERAGE PART OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART RAILROAD PROTECTIVE LIABILITY COVERAGE PART

In WHO IS AN INSURED (Section II) the term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or by laws.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT - RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

1. The following exclusion is added to COVERAGE A (Section I):

**o. "Bodily injury" arising out of any:**

- (1)** Refusal to employ;
- (2)** Termination of employment;
- (3)** Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, policies, acts or omissions; or
- (4)** Consequential "bodily injury" as a result of (1) through (3) above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share

damages with or to repay someone else who must pay damages because of the injury.

2. The following exclusion is added to COVERAGE B (Section I):

**c. "Personal injury" arising out of any:**

- (1)** Refusal to employ;
- (2)** Termination of employment;
- (3)** Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, policies, acts or omissions; or
- (4)** Consequential "personal injury" as a result of (1) through (3) above.

# QUICK REFERENCE

## COMMERCIAL GENERAL LIABILITY COVERAGE PART

### READ YOUR POLICY CAREFULLY

The Commercial General Liability Coverage Part in your policy consists of Declarations, a Coverage Form (either CG 00 01 or CG 00 02), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up the Coverage Part, listed in sequential order, except for the provisions in the Declarations which may not be in the sequence shown.

#### DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business and Location of Premises
- Limits of Insurance
- Forms and Endorsements applying to the Coverage Part at time of issue

#### COVERAGE FORM (CG 00 01 or CG 00 02)

##### SECTION I - COVERAGES

- Coverage A - Bodily Injury and Property Damage Liability
  - Insuring Agreement
  - Exclusions

- Coverage B - Personal and Advertising Injury Liability
  - Insuring Agreement
  - Exclusions

- Coverage C - Medical Payments
  - Insuring Agreement
  - Exclusions

- Supplementary Payments

##### SECTION II - WHO IS AN INSURED

##### SECTION III - LIMITS OF INSURANCE

##### SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

- Bankruptcy
- Duties in the Event of Occurrence, Claim or Suit
- Legal Action Against Us
- Other Insurance
- Premium Audit
- Representations
- Separation of Insureds
- Transfer of Rights of Recovery Against Others to Us
- When We Do Not Renew (applicable to CG 00 02 only)
- Your Right to Claim and "Occurrence" Information (applicable to CG 00 02 only)

##### SECTION V - EXTENDED REPORTING PERIODS (applicable to CG 00 02 only)

##### SECTION VI - DEFINITIONS (SECTION V IN CG 00 01)

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**COMMON POLICY CONDITIONS (IL 00 17)**

Cancellation

Changes

Examination of Your Books and Records

Inspections and Surveys

Premiums

Transfer of Your Rights and Duties under this Policy

**ENDORSEMENTS (If Any)**

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# BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - DEFINITIONS.

## A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (3) Outdoor fixtures;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) if not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:



- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock;"
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

**c. Personal Property of Others that is:**

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of the buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, back-filling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of the building described in the Declarations;
- m. Underground pipes, flues or drains;

- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- o. Vehicles or self-propelled machines (including aircraft or watercraft) that:
- (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale; or
  - (c) Rowboats or canoes out of water at the described premises;
- p. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

- (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or

- (b) Remove, restore or replace polluted land or water.

#### b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and

- (2) Only if the loss or damage occurs within 10 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean Up and Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**a. Newly Acquired or Constructed Property**

- (1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and

- (b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or

- (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$250,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is 10% of the Limit of Insurance for Your Business Personal Property shown in the Declarations, but not

more than \$100,000 at each building.

- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

**b. Personal Effects and Property of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers and Records - Cost of Research**

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the information on lost or damaged valuable

papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$1,000 at each described premises.

**d. Property Off-Premises**

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

- (1) In or on a vehicle;
- (2) In the care, custody or control or your salespersons; or
- (3) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$5,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following cause of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant.

Each of these Exclusions is additional insurance. The Additional Condition, Co-insurance, does not apply to these Exclusions.

## B. EXCLUSIONS

See applicable Causes of Loss Form as shown in the Declarations.

## C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal; but if:
  - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - b. The debris removal expense exceeds the amount payable under 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

## D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

## E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

### 3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days

after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of loss or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality.

b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

c. We will not pay you more than your financial interest in the Covered Property.

d. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.



e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:

(1) You have complied with all of the terms of this Coverage Part; and

(2) (a) We have reached agreement with you on the amount of loss; or

(b) An appraisal award has been made.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(1) Vandalism;

(2) Sprinkler leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Water damage;

(5) Theft; or

(6) Attempted theft.

b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

Buildings under construction are not considered vacant.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

This provision does not apply to the following even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.
- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than pre-packaged software programs), at the cost of:
- (1) Blank materials for reproducing the records; and
  - (2) Labor to transcribe or copy the records when there is a duplicate.

## F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

#### Example No. 1 (Underinsurance):

When:

The value of property is	250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	100,000
The Deductible is	\$250
The amount of loss is	\$40,000
Step (1): $250,000 \times 80\%$	$= \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)	
Step (2): $\$100,000 \div \$200,000$	$= .50$
Step (3): $\$40,000 \times .50$	$= \$20,000$
Step (4): $\$20,000 - \$250$	$= \$19,750$



We will pay no more than \$19,750. The remaining \$20,250 is not covered.

**Example No. 2 (Adequate Insurance):**

When:

The value of the property is \$250,000

The Coinsurance percentage for it is 80%

The Limit of Insurance for it is \$200,000

The Deductible is \$250

The amount of loss is \$40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$200,000 \div \$200,000 = 1.00$

Step (3):  $\$40,000 \times 1.00 = \$40,000$

Step (4):  $\$40,000 - \$250 = \$39,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**Example No. 3:**

When:

The value of the property is:

Bldg. at Location No. 1 \$75,000

Bldg. at Location No. 2 \$100,000

Personal Property at Location No. 2 \$75,000

\$250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Location

Nos. 1 and 2 is \$180,000

The Deductible is \$1,000

The amount of loss is Bldg. at Location No. 2 \$30,000

Personal Property at Location No. 2 \$ 20,000

\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$ .

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**2. Mortgage Holders**

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

## G. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies.

We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
- (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Limit of Insurance is \$100,000

The annual percentage increase is 8%

The number of days since the beginning of the policy year (or last policy change) is 146

The amount of increase is  
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200$

### 3. Replacement Cost

- a. Replacement Cost: (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Property of others;
  - (2) Contents of a residence;
  - (3) Manuscripts;
  - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (5) "Stock," unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of

your intent to do so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace, on the same premises, the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

### H. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we

will not pay more than the applicable Limit of Insurance.

#### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

#### I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has

rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ALABAMA CHANGES

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:
1. We will not pay for loss or damage arising out of any act committed:
    - a. By or at the direction of any insured; and
    - b. With the intent to cause a loss.
  2. However, this exclusion will not apply to deny coverage to an innocent co-insured when the loss or damage is otherwise covered under this policy and is proximately related to and in furtherance of an abusive act by an insured who is a family or household member. such coverage will be provided only if the innocent co-insured:
    - a. Provides evidence of the abuse to us, to demonstrate that the loss is abuse-related; and
- b.** For the act causing the loss, either:
- (1) Files a complaint under the Protection From Abuse Act against the abuser, and does not voluntarily dismiss the complaint; or
  - (2) Seeks a warrant for the abuser's arrest and cooperates in the prosecution of the abuser.
- 3.** If we pay a claim pursuant to Paragraph **B.2.**, our payment to the innocent co-insured is limited to that insured's legal interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event we will pay more than the Limit of Insurance.
- C.** The following is added to the Transfer Of Rights Of Recovery Against Others To Us Condition:
- If we pay an innocent co-insured for loss arising out of an act of abuse by another insured, the rights of the innocent co-insured to recover damages from the abuser are transferred to us to the extent of our payment. Following the loss, the innocent co-insured may not waive such rights to recover against the abuser.

## CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

### A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations;

that follow.

### B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

#### b. Earth Movement

- (1) Any earth movement (other than sink-hole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic

actions results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

#### d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.



**e. Off-Premises Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision;
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage



results, we will pay for that resulting loss or damage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosions results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have en-

trusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- j. Rain, snow, ice or sleet to personal property in the open.
  - k. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.
  - l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the resulting loss or damage.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

##### (1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock;" or
- (b) The time required to reproduce "finished stock."

This exclusion does not apply to Extra Expense.

##### (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.

##### (3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."

##### (5) Any other consequential loss.

#### b. Leasehold Interest Coverage Form

(1) Paragraph B.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your canceling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

#### c. Legal Liability Coverage Form

(1) The following Exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph B.1.a., Ordinance or Law;
- (b) Paragraph B.1.c., Governmental Action;
- (c) Paragraph B.1.d., Nuclear Hazard;
- (d) Paragraph B.1.e., Power Failure; and
- (e) Paragraph B.1.f., War and Military Action.

##### (2) Contractual Liability

We will not defend any claim or "suit," or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

**(3) Nuclear Hazard**

We will not defend any claim or "suit," or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. LIMITATIONS****1. We will not pay for loss of or damage to:**

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, unless held for sale by you, caused by or resulting from theft, except as provided in C.5.a. below.
- e. Property that is missing, where the only evidence of the loss or damage is a

shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

- f. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
- g. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

**2. We will not pay more for loss of or damage to glass that is part of a building or structure than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than \$500 for all loss of or damage to building glass that occurs at any one time.**

This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.

**3. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:**

- a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
- b. Animals, and then only if they are killed or their destruction is made necessary.
- c. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
  - (1) Glass that is part of a building or structure;
  - (2) Containers of property held for sale; or

- (3) Photographic or scientific instrument lenses.

- d. Builders' machinery, tools, and equipment you own or that are entrusted to you, while away from the premises described in the Declarations, except as provided in paragraph C.5.b. below.
4. For loss or damage by theft, the following types of property are covered only up to the limits shown:
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

#### 5. Builders' Risk Coverage Form Limitations

The following provisions apply only to the Builders' Risk Coverage Form.

- a. Limitation 1.d. is replaced by the following:
    - d. Building materials and supplies not attached as part of the building or structure caused by or resulting from theft.
  - b. Limitation 3.d. is replaced by the following:
    - d. Builders' machinery, tools and equipment you own or that are entrusted to you.
6. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material es-

caped. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

#### D. ADDITIONAL COVERAGE COLLAPSE

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

1. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people and personal property;
5. Weight of rain that collects on a roof;
6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items 2., 3., 4., 5. and 6. unless the loss or damage is a direct result of the collapse of a building:

outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes

#### E. ADDITIONAL COVERAGE EXTENSIONS

1. **Property In Transit.** This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$1000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to the Extension.

2. **Water Damage, Other Liquids, Powder or Molten Material Damage.** If loss or damage

#### F. DEFINITIONS

"Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of ice and snow, ice or sleet; water damage.

1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

a. The cost of filling sinkholes; or

b. Sinking or collapse of land into man-made underground cavities.

2. Falling objects does not include loss or damage to:

a. Personal property in the open; or

b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

## LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUILDERS' RISK COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

## SCHEDULE

	<u>Provisions Applicable</u>		
Loss Payable	Lender's Loss Payable	Contract Of Sale	
Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)

- A.** When this endorsement is attached to the STANDARD PROPERTY POLICY CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

### B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

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All of the terms of this Coverage Part will then apply directly to the Loss Payee.

### C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.

- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

### D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

- a. Adjust losses with you; and

- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear;

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

- 3. The following is added to the OTHER INSURANCE Condition:



**COINSURANCE CONTRACT**

16010 (10-97)

**TOOLS AND EQUIPMENT FLOATER**

**PROPERTY COVERED**

We cover the property which is:

1. described for this coverage in the Declarations; and
2. owned by:
  - a. you; or
  - b. your employees;

while the property is on the insured premise or elsewhere in the course of your business.

**AMOUNT OF INSURANCE**

We will not pay more than:

1. the limit of insurance stated in the Declarations for any one loss occurrence; or
2. \$1,000 ON ANY ONE ITEM UNLESS ANOTHER AMOUNT IS SPECIFICALLY SCHEDULED.

**PERILS WE INSURE AGAINST**

We cover risk of direct physical loss or damage, not excluded in this form, to the property covered.

**EXCLUSIONS**

We do not cover under this form loss or damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:

1. Seizure or destruction of property by order of governmental authority. But we will pay for such acts of destruction taken at the time of a fire to prevent its spread if the fire would be covered under this form.
2. Nuclear action meaning nuclear reaction, radiation, radioactive contamination, discharge of a nuclear weapon, however caused and whether controlled or uncontrolled, or any consequence of any of these. We will cover direct loss resulting from fire if caused by any of these, if fire is covered elsewhere in this form.
3. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
4. Wear and tear; inherent vice; hidden or latent defect; gradual deterioration; mechanical break down; insects, vermin, rodents; depreciation; or by processing or an work on the property. We will cover direct loss from fire or explosion which is caused by any of these.
5. Corrosion, rusting, dampness of atmosphere, or extremes of temperature.

6. Misappropriation, secretion, conversion, infidelity or any dishonest act by you or others or the employees or agents of either to whom the covered property may be entrusted. This exclusion does not apply to carriers for hire.
7. Artificially generated electrical currents to electrical apparatus. We will cover loss or damage caused directly by ensuing fire or explosion.
8. The weight of a load exceeding the registered lifting or supporting capacity of any machine.
9. Strikes, lockouts, labor disturbances; riots and civil commotion; or the acts of any person or persons taking part in such occurrences or disorders.
10. Theft by an insured's employees or a person to whom the insured property is entrusted.
11. Loss or damage by an unexplainable or unaccountable cause where there is no visible evidence that the loss or damage resulted from a peril insured against.

#### **ADDITIONAL CONDITIONS**

**1. Coinsurance Clause**

We will pay no more than the amount of loss or damage multiplied by the ratio of the amount of insurance on the property covered to its actual cash value at the time of loss or damage.

**2. Territory**

This policy applies only within the continental United States and Canada.

**3. Special Condition**

Each item of the schedule is deemed to be separately insured.

**COMMERCIAL INLAND MARINE CONDITIONS**

16080 (8-86)

**INSURING AGREEMENT**

We agree to provide insurance subject to all the terms of this coverage part. In return, you must pay the premium and comply with all the terms of this coverage part.

This insurance applies to loss which occurs during the policy period as shown in the Declarations. The coverages provided, the limits of our liability and the premiums are also shown in the Declarations.

**DEFINITIONS**

To understand this coverage part, you must understand what we mean when we use these words:

"You" and "Your" mean the insured named in the Declarations.

"We", "us" and "our" mean the Company providing this insurance.

**WHAT TO DO IN CASE OF LOSS**

If covered loss occurs, you agree to:

- (a) Give us or our agent immediate written notice. In case of theft also notify the police.
- (b) Protect the property from further damage, making necessary and reasonable repairs to do so and keeping records of the cost.
- (c) Make a list of all damaged and destroyed property, showing in detail quantities, costs, actual cash value and amount of loss claimed.
- (d) Send to us, within 60 days of our request, proof of loss signed and sworn to by the insured person, including:
  - (1) the time and cause of loss;
  - (2) the interest of insured persons and all others in the property;
- (3) actual cash value and amount of loss to the property;
- (4) all encumbrances on the property;
- (5) other policies covering the loss; and
- (6) changes in the title, use or possession of the property.
- (e) Exhibit the damaged property to us or our representative as often as may be reasonably required.
- (f) Submit to examinations under oath by any person we name and sign the transcript of the examinations.
- (g) Produce for examination, with permission to copy, all books of account, bills, invoices, receipts and other vouchers as we may reasonably require.

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**ABANDONMENT** We are not obligated to accept abandoned property.

**APPRAISAL** If you and we fail to agree on the actual cash value or amount of loss, either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record having jurisdiction where the appraisal is pending to select an umpire.

The appraisers shall then appraise the loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the actual cash value or amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the actual cash value or amount of loss.

Each party will pay the appraiser it chooses, and equally pay the umpire and all other expenses of the appraisal.

#### CONCEALMENT, MISREPRESENTATION OR FRAUD

This entire policy is void in any case of fraud by you or if you have intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

**OUR PAYMENT OF LOSS** We will pay you or make good any loss covered by this policy, unless another payee is named in the policy. We will pay within 30 days after:

- (a) We receive your proof of loss; and
- (b) The amount of loss is finally determined by an agreement between you and us, a court judgement or an appraisal award.

We will not pay or make good any loss which you have collected from others.

**OTHER INSURANCE** If you have other insurance covering the same loss as this insurance, we will pay only the excess over what the other insurer should

pay. We will pay the excess whether you can collect on the other insurance or not.

**PAIR OR SET** In case of loss of or damage to any part of a pair or set, we may:

- (a) repair or replace any part of the pair or set to restore it to its value before the loss; or
- (b) pay the difference between the actual cash value of the property before and after the loss.

**PARTS** In case of loss or damage to any part of property covered, consisting of several parts when complete, we shall pay only for the value of the part lost or damaged.

**RIGHT TO ADJUST LOSS WITH OWNER** If a loss involved property of others in your care, custody or control, we may:

- (a) settle the loss with the owners; or
- (b) defend you against any claim or suit at our cost. The expense of the defense will not reduce the limit of this insurance.

**RECOVERIES** Any recovery or salvage on a loss belongs to us until we recover what we have paid.

**LOSS CLAUSE** The amount of insurance under this policy will not be reduced except for total loss of a scheduled item. Any unearned premium that applies to such item will be refunded.

**OUR RIGHT TO RECOVER PAYMENT** After making payment under this policy, we will have the right to recover to the extent of our payment from anyone held responsible. You agree to do whatever is required to transfer this right to us.

**SUIT AGAINST US** We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within two years after you first know of the loss or damage.

**NO BENEFIT TO BAILEE** This insurance will not, in any way, benefit any other person or organization who may be caring for or handling property for a fee.

**VALUATION** We will not pay more than the least of:

- (a) The actual cash value of the damaged property at the time any loss or damage occurs. Actual cash value may include a deduction for depreciation;
- (b) the cost to repair or replace the damaged property with like kind or quality; or
- (c) the amount of insurance stated for the class of property.

**DEDUCTIBLE** Each claim for loss or damage will be adjusted separately. We will deduct the amount stated in the Declarations (or in the form that applies) from each adjusted claim.

**ASSIGNMENT** No interest in this policy may be assigned without our written consent. But if you are an individual named insured and die, we will cover:

- (a) your legal representative but only within the scope of his duties as such; and
- (b) anyone having proper temporary custody of your insured property, but only:
1. with respect to that property; and
  2. until your representative is appointed.

**WHEN TWO OR MORE COVERAGES APPLY**

If two or more of this policy's coverages apply to the same loss or damage, we shall pay no more than the actual amount of such loss or damage.

## RENTED EQUIPMENT ENDORSEMENT

16242 (5-95)

It is agreed:

Coverage is provided for contractors equipment rented by the insured person.

We shall pay no more than the limit of insurance shown for Rented Equipment in the Declarations.

All other terms and conditions of the policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54182 (6-00)

## ARSON REWARD

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### **Arson Reward**

We will pay for information which leads to a conviction for arson in connection with a fire loss to Covered Property insured by this policy. The most we will pay is the Limit of Insurance shown in the Declarations for ARSON REWARD regardless of the number of persons who provide information. No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## REKEYING OF LOCKS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### Rekeying of Locks

We will pay reasonable necessary expenses you incur to rekey locks on doors of the building described in the Declarations, provided the keys to such locks are a part of a theft loss covered by this policy. The most we will pay is the Limit of Insurance shown in the Declarations for REKEYING OF LOCKS. No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## INVENTORY

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### Inventory

- a. The Limit of Insurance for Business Personal Property (BPP) will automatically increase by the Limit of Insurance shown in the Declarations for INVENTORY for temporary variations in inventory.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 80% of your average monthly values during the lesser of:
  - (1) The twelve months immediately preceding the date the loss or damage occurs; or
  - (2) The period of time you have been in business as of the date the loss or damage occurs.

No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, a. Newly Acquired or Constructed Property**, is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### **Newly Acquired or Constructed Property**

- a. We will pay for direct physical loss or damage to:

- (1) Your new buildings while being built on the described premises; and
- (2) Buildings you acquire at locations, other than the described premises, intended for:
  - (a) Similar use as the building described in the Declarations; or
  - (b) Use as a warehouse.

The most we will pay for loss or damage is the Limit of Insurance shown in the Declarations for **NEWLY ACQUIRED OR CONSTRUCTED PROPERTY**.

- b. We will pay for direct physical loss of or damage to Your Business Personal Property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage is the Limit of Insurance shown in the Declarations for **NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY** at each building.

- c. Coverage for each newly acquired or constructed property will end when any of the following first occurs:
  - (1) This policy expires.
  - (2) The number of days shown in the Declarations under:
    - (a) **NEWLY ACQUIRED OR CONSTRUCTED PROPERTY - INCREASED LIMIT**; or
    - (b) **NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY - INCREASED LIMIT**;expire after you acquire or begin to construct the property.
  - (3) You report values to us.

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(4) You secure other insurance for such property.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

All other policy terms and conditions apply.

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## WATER BACK-UP FROM SEWERS OR DRAINS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

1. Subject to the provisions of paragraph 2. below, under **B. EXCLUSIONS**, g. **Water** subparagraph (3) is deleted.
2. Under **C. LIMITATIONS** the following limitation is added:

In any one loss, we will not pay more than the Limit of Insurance shown in the Declarations under WATER BACK-UP FROM SEWERS OR DRAINS for loss of or damage to Covered Property caused by water back-up from sewers or drains. In the event that the amount of loss of or damage to Covered Property does not exceed the Limit of Insurance shown in the Declarations for WATER BACKUP FROM SEWERS OR DRAINS, you may, at your option, apply the remainder of this Limit of Insurance to your actual loss of Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the Additional Coverage, Business Income and Extra Expense.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS**

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### **Business Personal Property at Fairs or Exhibitions**

We will pay for direct physical loss of or damage to Your Business Personal Property while it is temporarily at any fair or exhibition caused by or resulting from any Covered Cause of Loss. This Additional Coverage shall apply for a period not to exceed 15 days at any one fair or exhibition. This coverage does not apply to Covered Property in or on a vehicle.

Our payment for any one loss at any one fair or exhibition shall not exceed the Limit of Insurance shown in Declarations for BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS. The Additional Condition, Coinsurance does not apply to this Additional Coverage.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## REFRIGERATED PRODUCTS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

1. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### Refrigerated Products

We shall pay for loss of or damage to "perishable stock" caused directly by any of the following:

- (1) Mechanical breakdown of the refrigeration system; or
- (2) The interruption of electrical services to the refrigeration system caused by damage to electrical generating or transmission equipment.

You must exercise diligence in inspecting and maintaining refrigeration equipment. If interruption of electrical service or mechanical or electrical breakdown is known, you must use all reasonable means to protect the covered property from further damage.

2. Under **C. LIMITS OF INSURANCE**, the following limitation is added:

The most we shall pay for all loss or damage caused directly by mechanical or electrical breakdown of the refrigeration system or the interruption of electrical service to the refrigeration system caused by damage to electrical generating or transmission equipment in any one loss is the Limit of Insurance shown in the Declarations for REFRIGERATED PRODUCTS. In the event that the amount of loss of or damage to "perishable stock" does not exceed the Limit of Insurance shown in the Declarations for REFRIGERATED PRODUCTS, you may, at your option, apply the remainder of this Limit of Insurance to your actual loss of Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the Additional Coverage, Business Income and Extra Expense.

3. Under the CAUSES OF LOSS - SPECIAL FORM, **B. EXCLUSIONS**, exclusion 2. d. (6) is deleted and replaced by the following exclusion for this endorsement only:

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision or mechanical breakdown of refrigeration systems;

### 4. Definitions

The following definition applies only to this Additional Coverage:

**"Perishable stock"** means merchandise held in storage or for sale that is refrigerated for preservation and is susceptible to loss or damage if the refrigeration fails.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FIRE EXTINGUISHER RECHARGE**

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### **Fire Extinguisher Recharge**

We shall pay for the recharging of fire extinguishers which you own when such fire extinguishers have been discharged at a premises described in the Declarations to control a fire to which this policy applies.

The most we shall pay to recharge your fire extinguishers in any one occurrence is the Limit of Insurance shown in the Declarations for FIRE EXTINGUISHER RECHARGE.

No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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## OUTDOOR PROPERTY

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, e. Outdoor Property** is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### Outdoor Property

We shall pay for direct physical loss or damage to your outdoor fences, radio and television antennas, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

Our payment for any one loss for all covered outdoor property shall not exceed the Limit of Insurance shown in the Declarations for OUTDOOR PROPERTY. Our payment for any one tree, shrub or plant (other than "stock" of trees, shrubs or plants) shall not exceed the Limit of Insurance per item shown in the Declarations under TREES, SHRUBS OR PLANTS.

All other policy terms and conditions apply.

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## PROPERTY IN TRANSIT

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

1. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### Property In Transit

- a. We will pay for direct physical loss or damage to Your Business Personal Property (other than property in the care, custody or control of your salespersons) in transit more than 1000 feet from the described premises covered by or resulting from any of the following causes of loss:
    - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
    - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
    - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
  - b. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
  - c. Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for PROPERTY IN TRANSIT.
  - d. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.
2. Under the CAUSES OF LOSS - SPECIAL FORM, **E. ADDITIONAL COVERAGE EXTENSIONS, 1. Property In Transit** is deleted.

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## **FIRE DEPARTMENT SERVICE CHARGE**

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages, c. Fire Department Service Charge** is deleted and replaced by the following:

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the Limit of Insurance shown in the Declarations for FIRE DEPARTMENT SERVICE CHARGE for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

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## PERSONAL EFFECTS AND PROPERTY OF OTHERS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, b. Personal Effects of Others** is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### **Personal Effects and Property of Others**

We shall pay for direct physical loss or damage to:

- (1) Personal effects owned by you, your officers, your partners or your employees caused by or resulting from any Covered Cause of Loss except loss or damage by theft.
- (2) Personal property of others in your care, custody or control caused by or resulting from any Covered Cause of Loss.

Our payment for any one loss at any described premises shall not exceed the Limit of Insurance shown in the Declarations for PERSONAL EFFECTS AND PROPERTY OF OTHERS. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

The Additional Condition, Coinsurance does not apply to this Additional Coverage.

All other policy terms and conditions apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PROPERTY OFF-PREMISES**

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, d. Property Off-Premises** is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### **Property Off-Premises**

We shall pay for direct physical loss of or damage to your Covered Property, other than "stock":

- (1) That is temporarily at a location you do not own, lease or operate; and
- (2) Caused by or resulting from any Covered Cause of Loss.

This Coverage does not apply to Covered Property:

- (1) In or on a vehicle;
- (2) In the care, custody or control of your salespersons; or
- (3) At any fair or exhibition.

Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for PROPERTY OFF-PREMISES.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLLUTANT CLEAN UP AND REMOVAL

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages, d. Pollutant Clean Up and Removal** is deleted and replaced by the following:

### **d. Pollutant Clean Up and Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage at each described premises for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy is the Limit of Insurance shown in the Declarations for POLLUTANT CLEAN UP AND REMOVAL.

All other policy terms and conditions apply.

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